

**JUSTIFICATION REVIEW DOCUMENT
FOR ACQUISITIONS NOT EXCEEDING \$50 MILLION
FOR OTHER THAN FULL AND OPEN COMPETITION**

PR Number(s) FD2060-00-21141

Estimated Value: \$48 M

Category: PEO Program

Program Name: Parts Obsolescence

Authority: 10 U.S.C. 2304(c)(1)

Based on the justification provided herein, acquisition of the supplies/services is recommended using Other than Full and Open Competition (OTF&OC) using the authority cited above.

COORDINATION AND APPROVAL

PR Initiator

Sam J. Calloway LFEFA 3 Aug 00 63594
Symbol Date Phone

Contracting Officer

James D. Koz LFKB 13 SEP 00 62231
Symbol Date Phone

Buying Office
Contracting Official

Donald R. Smith LFK 14 SEP 00 6-3358
Symbol Date Phone

Staff Judge Advocate

Cassandra Wong WR-ALC/JAN 19-Sep 00 6-3961, X128
Symbol Date Phone

Competition Advocate

James B. Grant WR-ALC/PKP 22 Sept 00 6-2604
Symbol Date Phone

System Support Manager or
System Program Director

Mark R. Rini LF 26 Sep 00 6-2501
Symbol Date Phone

Program Executive Officer

Clayton M. Belfrage AFPEO/FB 17 Oct 2000 (703) 588-7300
Symbol Date Phone

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COORDINATION AND APPROVAL

PR Initiator	<u>Samuel J. Calhoun</u>	<u>LF-EFA</u>	<u>3 Aug 00</u>	<u>63594</u>
		Symbol	Date	Phone
Contracting Officer	<u>James D. Katz</u>	<u>LF-KB</u>	<u>13 SEP 00</u>	<u>6-2231</u>
		Symbol	Date	Phone
Buying Office Contracting Official	<u>Harold R. Smith</u>	<u>LF-K</u>	<u>14 SEP 00</u>	<u>6-3358</u>
		Symbol	Date	Phone
Staff Judge Advocate	<u>Cassandra Wong</u>	<u>WR-ALC/JAN</u>	<u>19-Sep 00</u>	<u>6-3961, X128</u>
		Symbol	Date	Phone
Competition Advocate	<u>James B. Grant</u>	<u>WR-ALC/PKP</u>	<u>22 Sept 00</u>	<u>6-2604</u>
		Symbol	Date	Phone
System Support Manager or System Program Director	<u>John R. Rini</u>	<u>LF</u>	<u>26 Sep 00</u>	<u>6-2901</u>
		Symbol	Date	Phone
Program Executive Officer	_____	_____	_____	_____
		Symbol	Date	Phone

I. **DEPARTMENT OF THE AIR FORCE**
JUSTIFICATION AND APPROVAL, PART 1
FOR OTHER THAN FULL AND OPEN COMPETITION

F-15 SYSTEM PROGRAM OFFICE
WARNER ROBINS AIR LOGISTICS CENTER

PR Number: FD2060-00-21141

Category: PEO Program

II. **NATURE OF THE ACTION**

Due to the circumstances described herein, request the following be acquired using other than full and open competition procedures in support of Department of Defense weapons, test, and support systems obsolescence programs.

Source: Manufacturing Technology, Inc. (MTI)
Requirement Type: Engineering and Manufacturing Services
Special Features: Contract Engineering Task (CET)
DD Form 1423
Type J&A: Class Action

III. **DESCRIPTION OF REQUIREMENT**

1. Narrative Description: The purpose of this effort is to acquire a series of engineering trade studies, systems engineering efforts, corrective action recommendations, and implementations where cost effective and affordable to eliminate or ameliorate electronic parts obsolescence conditions in Department of Defense weapons, test, and support systems. This task will prioritize and forecast diminishing manufacturing sources (DMS) for electronic systems and subsystems and provide comprehensive impact analyses of those diminishing resources on DOD weapons, test, and support platforms. These efforts will be issued as orders against an IDIQ contract to be awarded pursuant to this J&A. The procurement shall be to Manufacturing Technology, Inc., a small, disadvantaged business, who is the prime vendor of the Diminishing Manufacturing Sources (DMS) software application and services for the F-15 A-E aircraft.

2. The estimated cost covers a six-year effort, which is based on estimated work requirements and approximate length of time. This effort is broken into the following elements or phases:

1.	FY01	\$5.0M
2.	FY02	\$6.0M
3.	FY03	\$7.5M
4.	FY04	\$9.0M
5.	FY05	\$10.0M
6.	FY06	\$10.5M
		\$48.0M

3. The yearly dollar value may be exceeded; however, the overall dollars value of this J&A may not be exceeded.

IV. STATUTORY AUTHORITY:

The statutory authority for this contractual action will be 10 U.S.C. 2304(c) (1) in accordance with FAR 6.302-1(a)(2).

V. DEMONSTRATION THAT AUTHORITY IS APPROPRIATE:

Manufacturing Technology, Inc. (MTI) currently provides a one-of-a-kind, turn-key solution for AFMC program managers who deal with electronic systems and subsystems maintainability and supportability issues. The availability of qualified and available electronic spares is a key element in a weapons system's viability. The interface/integration of electronic subsystems in the weapons platform and the ability to track, locate, and qualify electronic spares availability projections for the out-years are critical to sustained weapons systems performance, supportability and maintainability. MTI has performed spares integration activity for the USAF and Foreign Military Sales F-15 aircraft for approximately ten years. MTI retains, maintains, and constantly updates all documentation associated with the diminishing component obsolescence tracking programs.

Due to the lack of certifiable government data on electronic subsystems, competition would result in substantial duplication of costs to the Government. Competition would require a new development program requiring the Government to scrap usable components, to include hardware, software, custom-design support equipment, and test stands.

VI. EFFORTS TAKEN TO ADD ADDITIONAL SOURCES OR TO SOLICIT FROM AS MANY SOURCES AS POSSIBLE:

The effort described herein will be synopsized in the Commerce Business Daily (CBD) citing conditions that preclude full and open competition.

VII. MARKET SURVEY:

Manufacturing Technology, Inc. (MTI) is the only source that possesses full experience with Diminishing Manufacturing Sources (DMS) support services; design and modification of DMS management software; building and modification of DMS databases; reverse engineering of obsolete electronic systems; Very High Speed Integrated Circuit High Description Language modeling; form, fit, and function redesign of obsolete electronic systems; and prototype manufacturing. Additionally, only MTI can and does track systems components to the die-level. Whereas other parts obsolescence programs attempt to track at the assembly and sub-assembly program level, MTI's software allows for detailed listings to include the lowest component level.

While there are a variety of vendors able to provide a portion of the solutions called for in this solicitation, only MTI has the experience and expertise to show qualification in the following areas:

- Diminishing Manufacturing Sources (DMS) Management and Services
- Design, Development, and Manufacturing
- Independent Engineering Testing, Analysis, and Studies
- Fabrication of Prototypes
- Engineering, Management, and Sustainment Support
- Ground Support Equipment
- Training and Simulation.

LFEFA is a founding member of both the USAF DMSMS Working Group and the DoD DMSMS Teaming Group. Both of these groups serve as the information-clearing house for DoD and Commercial DMSMS

processes and tools. LFEFA has conducted Internet searches for DMSMS information and have reviewed the following internet websites for applicability to this acquisition:

www.ml.afrl.af.mil
www.sarda.army.mil/rdaisa/bullitin
www.navicp.navy.mil
www.superfactory.com
www.utcd Dayton.com
pal.pica.army.mil
dte-dms.crane.navy.mil

LFEFA reviewed the results of AFMC's DMSMS market research "An Assessment of the Air Force Material Command DMSMS Program" and the Defense Microcircuit Executive Agent's "Health Model Toolset analysis for the B-2 Defensive Management System Second Source Engineering Project". We have queried both the Government/Industry Data Exchange Program and the Application, Program and Indenturing databases for information relevant to this acquisition. We actively participate in the annual DMSMS DoD/Industry Conferences and in the United Kingdom's Component Obsolescence Group's annual conferences. We have begun participation in NAMSA's annual DMSMS Working Group.

We have teamed with the USAF DMSMS Program Office and the F-15 Prime Contractor to begin standardization of our joint efforts based upon the AVCOM toolset. We have teamed with the F-15 Foreign Military Sales Customers and standardized these efforts to the AVCOM toolset. We have teamed with WR-ALC/LN and provided the kernel AVCOM program to the Electronic Warfare Office to standardize our efforts to the AVCOM toolset.

As related above, Market Research indicates that there are no other sources that can provide this "turn-key", blanket approach to resolving the government's requirement. WR-ALC/LFEFA has conducted market research in accordance with FAR Part 10. We have contacted knowledgeable individuals in Government and industry regarding the capabilities of other companies. We have reviewed the results of recent market research undertaken to meet similar requirements. We have published formal requests for information in appropriate technical journals. We have queried Government databases that provide information relevant to this acquisition. We have participated in interactive, on-line communication among industry, acquisition personnel, and customers. We have obtained source lists of similar items from other contracting activities and agencies, trade associations and other sources. We have reviewed the marketing literature of other service providers. We have conducted interchange meetings and attended conferences on these topics to involve potential offerors early in the acquisition process. It is through these processes that we have concluded that Manufacturing Technology, Inc. (MTI) is the only company that can provide the combination of services that are critical to success of WR-ALC/LFEFA's obsolescence management program.

Since there are no other known sources that can provide this "turn-key" blanket approach to resolving the government's requirement, further market research is inappropriate.

VIII. OTHER PERTINENT FACTS SUPPORTING USE OF THE AUTHORITY:

1. MTI, the systems integrator, updates and maintains DMS data libraries with all the required reference data to complete this tasking. The government does not own the necessary data and must rely on private industry to provide meaningful data in order to make long-term decisions. MTI is the only DMS provider that can verify parts obsolescence to the die level, thereby facilitating a more complete parts availability picture of the obsolescence situation as it relates to any weapons system. The availability of reliable data as it relates to parts availability is critical to AF planners for future budgeting and capabilities assessments
2. Follow-on Contracts: The cost of obtaining the required data and developing personnel proficiency with the functions of the electronic systems, as well as the integration by a third party vendor into the

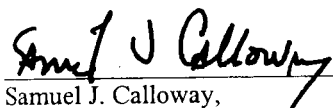
electronic parts obsolescence arena would significantly increase costs and seriously delay the required schedule, since DOD mission requirements do not allow for the complex processes of actively assisting the development of second or third vendors. WR-ALC/LFEFA estimates that modification required to bring present obsolescence systems to the minimums required for full government reliance and confidence will require two to three years to complete and cost in excess of \$2M.

IX. ACTION CURRENTLY IN PROGRESS OR WHICH WILL BE TAKEN TO REMOVE THE COMPETITIVE BARRIERS ON SUBSEQUENT ACQUISITIONS.

This task is a continuation of an obsolescence correction program that will provide improved maintainability for electronic systems and subsystems on weapons, test, and support systems. WR-ALC/LFEFA fully expects that given the criticality of this information, that at the end of this six-year contract, other companies will have obtained the expertise to cover all of these areas of services so that they can also provide turn-key solutions for our AFMC program managers. In that case, any follow-on contract will be awarded with full and open competition. The AFMC DMSMS Program Office in cooperation with the F-15 DMSMS Program and the Electronics warfare, Common Avionics and C5 Program is actively seeking to standardize our combined effort to the AVCOM toolset. The AFMC DMSMS Program Office has selected the AVCOM toolset as the AF standard by basing its DMSMS web "Hub" on the AVCOM toolset. This will allow all users of the AVCOM toolset to share obsolescence resolution information over the Hub. These standardization efforts preclude full and open competition but are critical to reducing duplication of effort between the participating programs.

X. CERTIFICATION:

I hereby certify that the above information is complete and accurate.



Samuel J. Calloway,
F-15 Avionics Engineering Section
WR-ALC/LFEFA

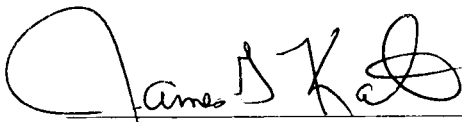
3 Aug 2000
Date

JUSTIFICATION AND APPROVAL PART 2

F-15 SYSTEM PROGRAM OFFICE WARNER ROBINS AIR LOGISTICS CENTER

PR NUMBER: FD2060-00-21141

1. The circumstances described in Part I of this J&A require that this acquisition must be accomplished under Other than Full and Open Competition. Authority 10 U.S.C. 2304 (c) (1), which has been specified, is appropriate under these circumstances.
2. The contracting methodology to be used is:
XX Firm-fixed-price, placing maximum cost and schedule risk on the contractor.
XX Other: CLINs are provided for FFP, and T&M task/delivery orders.
3. The cost of this acquisition will be fair and reasonable to the Government: The pricing method to be used is:
____ Negotiations using limited cost and pricing data from the contractor.
____ Negotiations using certified cost and pricing data, which will be analyzed using information maintained locally and at the cognizant administration office.
XX Negotiations using certified cost and pricing data, which will be analyzed using DCAA Audit and field reports.
____ Other _____
4. The following source(s) will initially be solicited: Manufacturing Technology, Inc., Ft. Walton Beach, FL.
The acquisitions () is (X) is not exempt from synopsis. [If exempt, exception FAR 5.202 (a) () applied]. Other sources which express interest will be found listed in the contract file.
5. Based on the certified data submitted in Part I by the technical and requirements activity and the information above, I hereby certify that this justification is accurate and complete to the best of my knowledge and belief.



Contracting Officer

13 SEP 00

Date